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Labor Situation in Venezuela

During the 1990s, changing policies, a severe drop in crude oil prices, inflation, an overvalued currency, capital flight, and high unemployment, helped create an uncertain investment climate. According to GOV Statistics, 1.6 million workers (15.3% of the workforce) were unemployed in January 2001. Actual unemployment probably is higher since the government counts underemployed persons as employed in the statistics. Of the 8.6 million employed workers, an estimated 4.5 million, including an estimated 1.2 million children, work in the informal sector (street vendors, domestics, small entrepreneurs, etc.).

In Venezuela, as elsewhere, unions have helped to foster democracy in three fundamental ways. First, unions promote a culture of negotiation, principally through collective bargaining, which serves to balance the distribution of economic influence in the workplace and in society. Second, unions provide workers with a voice in the political process that reinforces democratic participation in decision-making. Finally, independent unions are microcosms of democracy, with internal processes for freely electing officers, setting policy and adjudicating disputes.

The trade union movement in Venezuela remains the largest and best-organized sector of civil society not under direct government control. The principal trade union in Venezuela is the Venezuelan Confederation of Workers (CTV). The CTV represents over two million workers and is particularly strong in the petroleum, construction, transportation industries and the public sector. Over the past two years, the CTV has undertaken an internal process of democratization. Once widely criticized for its dependence on political parties, the CTV has reformed its statutes to enact two critical reforms: direct, universal, secret ballot elections at all levels (union, federation and confederation) and a restructuring from geographic to sectoral units to reinvigorate collective bargaining.

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Over the last 18 months, President Chavez' government has viewed the autonomous, democratic CTV trade union with trepidation. In response, the GOV created the "Bolivarian Workers Force" (FBT) in August 2000. Chavez and leaders of the FBT publicly stated their intention to replace existing unions, particularly the CTV, with the newly formed FBT. In December 2000, the GOV held a national referendum on removing all incumbent elected union leaders in Venezuela. Through this referendum the GOV intended to secure the FBT as the sole labor federation in Venezuela. The referendum attracted the participation of less than one-quarter of the eligible voters, 65% of those who voted approved the GOV's proposal.

However, international labor authorities, including the International Labor Organization (ILO) and the International Confederation of Free Trade Unions (ICFTU) declared the referendum to be in violation of the internationally recognized right of freedom of association. Moreover, the FBT's post-referendum assembly proved too ineffective to play the major role the GOV had envisioned. Given the weakness of the mandate generated by the December 3 referendum, the inability to mobilize supporters of the FBT and considerable international pressure to respect basic labor rights, President Chavez backed off of his push to deter the democratic influence of independent trade unions in Venezuela.

In March 2001, the GOV received the ILO recommendations for an acceptable solution to the situation. The GOV entered into a dialogue with the various organized groups within the labor movement and has allowed free elections at the local, state and national levels. The heated atmosphere between the government and organized labor has cooled somewhat and the ILO continues to support all parties in search for an acceptable resolution. Progress continues to advance in this fragile environment. On October 25, 2001, an election for the executive leadership of the CTV is scheduled. International monitors from ORIT (Organizacion Regional Interamericana de Trabajadores), the Latin American affiliate of the ICFTU, arrived in Venezuela on October 23, 2001 to serve as election observers.

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